

Anti-Forced Labor Policy

Effective Date: 01.08.2025

Revision: 1

Company: HAWK FILTRATION (SEA) SDN. BHD.

Location: Malaysia

1. Purpose

To ensure full compliance with Malaysian legislation, SMETA 7.0, WCA, and International Labour Organization (ILO) Conventions related to the prevention of forced, bonded, and involuntary labour.

This policy aims to foster ethical, fair, and transparent working conditions for all employees of Hawk Filtration (SEA) Sdn. Bhd.

2. Scope

This policy applies to all employees—local and foreign—as well as suppliers, subcontractors, and recruitment agencies engaged by Hawk Filtration (SEA) Sdn. Bhd.

3. Policy Statement

Hawk Filtration (SEA) Sdn. Bhd. is committed to maintaining a workplace free from forced and bonded labour and human trafficking. The following practices are strictly prohibited:

- Use of forced, trafficked, bonded, indentured, prison, or involuntary labour.
- Coercion, threats, or intimidation toward any worker.
- Withholding personal identification documents, such as passports or work permits.
- Imposing illegal recruitment fees or debt bondage.
- Restricting workers' movement during or outside of working hours.
- Requiring compulsory overtime under threat of penalty or retaliation.

4. Legal and Regulatory Compliance

This policy complies with:

- Malaysian Employment Act 1955 (Amendment 2022)
- Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act 2007
- ILO Conventions No. 29, No. 105, and related guidelines
- SMETA 7.0 Base Code Areas: 1.A (Responsible Recruitment), 5 (Wages), 8 (Employment Terms), 9 (Treatment)
- WCA Pillars: Labour Standards, Health & Safety, Ethics

5. Ethical Recruitment Practices

- Workers shall not bear any recruitment-related fees. Any such costs inadvertently paid will be reimbursed.
- Contracts must be provided in the workers' native language, clearly outlining working hours, wages, roles, benefits, and termination terms.
- Contract terms must be explained verbally to workers in a language they understand and reviewed before signing or departure from their home country.
- All hires are subject to age verification to prevent the employment of underage workers.
- Only licensed and vetted recruitment agents shall be engaged, and they must sign a compliance undertaking with this policy.

6. Freedom of Movement

All workers shall have the right to:

- Move freely within and outside the facility after working hours and shifts.
- Leave employment voluntarily without fear of retaliation or obstruction.

7. Retention and Storage of Personal Documents

- Workers retain full control and ownership of personal identification documents.
- Optional, secure storage may be provided, accessible at any time and free of charge, based on voluntary worker consent.

8. Wages, Benefits, and Transparency

- Workers shall be compensated in accordance with applicable Malaysian laws, WCA, and SMETA standards.
- Unlawful wage deductions are strictly prohibited.
- Wage slips must be provided with itemized, transparent, and multilingual where needed, detailing hours worked, overtime, deductions, and net pay.

9. Grievance Mechanism

- Hawk Filtration (SEA) Sdn. Bhd. maintains a confidential and non-retaliatory grievance mechanism, including:
 - Anonymous suggestion boxes
 - Dedicated grievance hotline
 - Direct access to HR personnel
- All concerns related to forced labour will be handled promptly and respectfully.

10. Supplier and Subcontractor Compliance

- All suppliers, subcontractors, and recruitment agents must sign a declaration of adherence to this policy.
- Periodic audits and risk assessments shall be carried out, especially for high-risk supply chain areas.
- Corrective Action Plans (CAPs) are required for non-compliance. Failure to comply with CAPs may result in contract termination.

11. Training and Awareness

- Annual training will be provided for all employees and managers on forced labour prevention and workers' rights.
- Training materials must be visually formatted and multilingual, tailored for diverse workforce comprehension.
- Supplier and agent training may be included as part of onboarding or annual review.

12. Monitoring and Auditing

- Regular internal and external audits will be conducted to assess policy implementation and compliance status.
- Violations will trigger immediate remediation and corrective actions.
- Records shall be maintained for transparency and traceability.

13. Reporting Violations

- Workers are encouraged to report concerns via grievance channels or to management.
- Reports will be investigated confidentially, impartially, and in accordance with legal and audit guidelines.

14. Disciplinary Actions

- Any individual—employee, supplier, or subcontractor found to violate this policy will be subject to disciplinary measures. These may include termination of employment or contract and, where appropriate, legal action.

15. Review of Policy

- This policy shall be reviewed annually and updated to ensure continued compliance with Malaysian labour laws, WCA, SMETA, and ILO standards.
- Stakeholder input, including worker representatives and external experts, may be incorporated into the review process.